



Dong Heon Kim, general manager and country manager at Woori Bank, Bangladesh, opens the South Korean lender's 6th branch at Motijheel in Dhaka recently.

WOORI BANK

American Airlines secures \$5.5b Treasury loan, could tap more

REUTERS, Chicago/Washington

American Airlines said on Friday it has secured a \$5.5 billion government loan and could tap up to \$2 billion more in October depending on how the US Treasury allocates extra funds under a \$25 billion loan package for airlines.

Airlines have until Sept. 30 to decide whether to take the US Treasury loans, which were authorized under the CARES Act coronavirus relief bill passed by Congress in March.

American Airlines was originally allocated \$4.75 billion, but carriers including Delta Air Lines and Southwest Airlines have already said they do not intend to take their share of the package, opening the door for the funds to be used by other airlines.

Fort Worth, Texas-based American said it has already drawn down \$550 million of the Treasury loan, which is backed by its loyalty program. The loans also require airlines to issue warrants and carry

restrictions on executive compensation and buybacks.

Among other carriers, United Airline said this week it will tap the Treasury loans, but it was not clear whether the airline would only seek its \$4.5 billion share or more.

US airlines received a separate \$25 billion in March under the CARES Act primarily in the form of grants to keep employees on payroll through the end of this month and avoid furloughs while the industry battles a deep downturn from the coronavirus pandemic.

The have also tapped capital markets to bolster liquidity, but with passenger traffic still down about 70 per cent from pre-pandemic levels, the industry is urging Washington to extend another \$25 billion in payroll support through March, 2021.

American said it has also closed a \$1.2 billion debt offering with Goldman Sachs, backed by some intellectual property and airport slots.

Beijing Autoshow: Great Wall to boost overseas sales, countering overall drop

REUTERS, Beijing

Great Wall Motor aims to boost overseas sales this year, an official at China's top pickup truck maker said on Saturday, helping to ease an overall drop caused by COVID-19.

The company plans to sell 70,000 vehicles outside China, up from 65,000 last year, Sun Guang, vice general manager at Great Wall's international marketing department, told reporters at the Beijing International Automotive Exhibition 2020.

Great Wall earlier this year forecast overall sales would fall to 1.02 million vehicles this year from last year's sales of 1.06 million units.

International sales make up around 7 per cent of Great Wall's overall sales, and Great Wall plans to increase that gradually, Sun said.

Sun said the Baoding-based automaker plans to start building vehicles in Thailand and India next year, but did not offer detail. Great Wall said earlier this year that it would buy two plants in these countries from General Motors.

The company also plans to sell cars in the European Union.

India unlikely to revoke PUBG ban despite Tencent licence withdrawal

REUTERS, New Delhi/Seoul

India is unlikely to revoke a ban on PlayerUnknown's Battlegrounds (PUBG) following PUBG Corp's decision to withdraw the mobile game's publishing rights in the country from China's Tencent, a senior government official said on Friday.

PUBG, a popular online multiplayer battle game, was among 118 Chinese-origin mobile applications banned by New Delhi earlier this month.

That led PUBG Corp, the unit of a South Korean firm behind the game, to announce it would no longer give Tencent Games the rights to publish the game in India. It also said it was exploring ways to provide gaming experiences to Indian users in future.



RUPAYAN GROUP

The top officials of the Real Estate & Housing Association of Bangladesh led by its president Alamgir Shamsul Alam pose during their visit to Rupayan City's flagship project 'Rupayan City Uttara' in the capital. Rupayan City Uttara, a premium mega gated community project built in 134 bighas of land, has apartments, villas, penthouses, shopping malls, schools and office spaces. LA Mukul, chairman of Rupayan Group, and Mahir Ali Khan Ratul, vice chairman, were present.

Huge potential lies in electronic procurement

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Currently, there are 1,365 procuring agencies in the country. As of July, 1,343 agencies registered with the e-GP system. The number of tenderers registered with e-GP stood at 74,395, the Central Procurement Technical Unit (CPTU), which introduced e-GP, said in July.

The Planning Commission officials said that if the e-GP system were implemented more effectively, the amount of savings made could have been much more than \$600 million.

They made the comments as the World Bank report also said bidders need to give bribes in the form of financial benefits, arrange trips and host dinners for government officials to win contracts.

A 2017 study by Wahid Abdallah, then a research fellow at the Brac Institute of Governance and Development, showed that the e-GP holds enormous potential benefits for the country. Each Tk 1 spent on such efforts will do a phenomenal Tk 663 of good, the study found.

The global lender highlighted the progress in the government procurement process.

The country has a robust public procurement system in place. This includes a procurement law, secondary legislation and associated standard bidding documentation and a well-functioning nodal agency CPTU, said the assessment.

The CPTU provides round-the-clock help desk service to address questions and problems raised by bidders and the public, including the media.

The e-GP portal, www.eprocure.gov.bd, covers the end-to-end procurement process starting from procurement planning to authorisation of payment to the contractors or suppliers. The module up to contract award is fully operational now.

The WB pointed out challenges as well. The public purchase process lacks

transparency and some sections in the Public Procurement Act limit scope for competition among bidders. Large bidders are monopolising the procurement market, leaving the small ones marginalised, it said.

About delayed implementation of contracts, the WB proposed rolling out the newly developed electronic contract management (e-CMS) system module of the e-GP and monitoring contract management performance.

It called for creating a supplier database with unique identification of bidders and their beneficial owners and tracking the performance of the suppliers or contractors, including specialised groups.

The WB said a policy document with a detailed implementation road map for sustainable procurement should be prepared.

It proposed connecting e-GP with the integrated budget and accounting system (iBAS++) to facilitate real-time capturing of budget utilisation, procurement commitment and procurement expenditure and monitoring and tracking of payment.

A centralised procurement body at the central or regional level should be set up to procure commonly required items, the assessment paper said.

Other recommendations include scaling up citizen monitoring of contract implementation and including legal provision for a mandatory market analysis for high value and complex procurements before initiating the procurement process to better understand the market composition, qualification of the bidders and specifications of the product.

The total value of the tenders is Tk 410,000 crore, the CPTU said in July.

The number of tenders invited online in Bangladesh has gone past four lakh in an indication of the country's race towards digitalisation.

Wheat imports rise 116pc in six years

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"Beside our food habits have changed due to increasing health awareness among the people. Moreover, the demand for bakery and fast food has increased which has had an impact on wheat."

Demand for bakery products has increased several times in the past one decade, according to several of the sector's investors.

A decade ago the number of large entrepreneurs in the sector was negligible but now more than two dozen have emerged. A number of them are exporting various items, including biscuits and cakes.

Some \$4.33 lakh worth bakery products were exported in 2015-16 but it has gone on to reach \$21 crore last fiscal year, according to the Export Promotion Bureau.

"The bakery sector has changed dramatically over the past decade," said Syed Nurul Islam, chairman of Well Group, one of the country's leading producer of bakery products.

"Apart from the demand of the country, bakery products are also being exported to several countries. The demand of the country is increasing at a rate of about 10-15 per cent every year. Positive progress is also being made in exports." Facts and statistics data portal IndexMundi ranks Bangladesh seventh among wheat importers. Egypt topped the list with 1.30 crore tonnes last fiscal year followed by Indonesia with an annual 1 crore tonnes.

In consumption, Bangladesh comes 20th. China takes the crown with an annual 1.3 crore tonnes. In production, Bangladesh placed 31st last financial year. Again China heads the leader board with 1.37 crore tonnes.

Online platform to connect garment buyers, sellers

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Nokia has been asking to invest in Bangladesh as it believes the country is a major market for smart mobile phone sets, he said, adding that currently 82 per cent of the smartphones used by local customers were being produced locally.

He also said, with the advent of technological innovations, it was not possible to ignore artificial intelligence, robotics and big data.

However, the young generation of the country needs to be trained in such a way that they can utilise the potential of those technological innovations in a productive way, Jabbar also said.

Nissan to launch slew of new vehicles in China over next five years: CEO

REUTERS, Beijing

Nissan Motor's chief executive said on Saturday he planned to launch a number of new vehicles in the growing Chinese market over the next five years, including electrical cars, that could help the struggling Japanese automaker return to profit.

"The recovery in the Chinese market has been very remarkable, and our key segments have returned to the previous year's level if not slightly better," CEO Makoto Uchida said at a press conference at the Beijing auto show via a video link from Japan. "I expect this rebound to continue, but we need to watch for signs of trouble," he added.

Uchida and the company's China boss, Shohei Yamazaki, said Nissan will launch nine new and re-designed electric models in the world's biggest auto market by 2025, including plug-in electric vehicles and hybrid electric cars that charge with a gasoline engine.

Uchida's remarks come as investors express concern about Japan's second-largest carmaker, which has warned of a record \$4.5 billion loss this year as the pandemic hampers its turnaround.

Growth in China is a key part of Nissan's effort to recover from rapid expansion that left it with dismal margins and an ageing portfolio that the automaker says is a result of a mismanagement

by former boss Carlos Ghosn, who was arrested for financial misdeeds which he denies.

Nissan has pledged to cut 300 billion yen (\$2.84 billion) from annual fixed costs and focus on each of the company's three biggest markets: China, the United States and Japan.

Yet, while China's automotive market continues to recover strongly, Nissan last month saw its business shrink 2.4 per cent after showing modest growth every month since April.

That sales contraction was in stark contrast to Japanese rivals Toyota and Honda, which have both seen rapid sales growth since the pandemic's effects began easing in China over the summer.



Nissan CEO Makoto Uchida speaks at Nissan booth via video link during the presentation of Nissan's Ariya model at the Beijing International Automotive Exhibition, in Beijing yesterday.

REUTERS

Tesla could struggle to implement some of its battery advances, experts say

REUTERS

The advanced battery cell design and new manufacturing processes outlined by Tesla Inc CEO Elon Musk are promising, battery experts say, but they questioned how quickly they can be implemented and how much they'll contribute to reducing overall costs.

Tesla's new battery cell — a larger cylindrical format called 4680 that can store more energy and is easier to make — is key to achieving the goal of cutting battery costs in half and ramping up battery production nearly 100-fold by 2030.

"We're not getting into the cell business just for the hell of it, it's because it's the fundamental constraint" to eventually producing 20 million vehicles a year, Musk said on Tuesday in a "Battery Day" presentation that disappointed investors.

Following are comments from battery experts on Musk's plans:

Gene Berdichevsky, CEO and co-founder of battery materials manufacturer Sila Nanotechnologies and a former Tesla battery systems architect: "The most concrete, most tangible and maybe the most impactful thing is the new cell design. That's a really good design, leading to lower manufacturing costs at the cell level. The hardest thing ever isn't making it (the cell), the hardest thing is manufacturing it at scale."

Shirley Meng, a professor at the University of California San Diego: "Most of the claims were expected, like the 4680 format, the tabless design, the silicon anode, the diversified cathode choices. I was caught by surprise by the cathode manufacturing process and the new aluminum-based alloys."

Incentivise e-payments to speed up digital transformation

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"A haphazard situation will be created unless the issue is addressed properly," Qadir said.

Interoperability is highly important to give a boost to the country's MFS sector, said Tanvir A Mishuk, managing director of Nagad, another leading MFS operator.

Funds now can be transferred from one bank to another and such financial mode should be introduced for the MFS, he said.

Clients have to pay Tk 20 for cashing out Tk 1,000 but such charges should be brought down to single-digit, Mishuk said.

"A single entity will not be able to ensure infrastructure, public trust and cybersecurity," said Soumya Basu, senior director of Visa South Asia.

All stakeholders should come forward to speed up digital transformation, he said.

A national task force should be formed to strengthen the existing process of building the cashless society, Basu said.

The government may think of declaring 2021 as the year of digital payment on the occasion of the 50 years of Independence, said Ram Rakkappan, head of government engagement for India and South Asia at Visa.

A large number of workers were brought under the MFS operation and they received wages and salaries through this means during the lockdown, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"We did not notice any fraudulent

activities when banks disbursed salaries and wages to the workers of BGMEA-listed factories," she said.

Different types of online products are now being rolled out and this is a positive move towards a Digital Bangladesh, said Md Tohurul Hasan, programme manager of Digital Financial Service of the Access to Information (a2i), a government programme supported by the United Nations Development Programme.

"We should give space to new fintech firms to run their business. But banks are unwilling to give room to them and they are trying to introduce all types of products," he said.

"A strong relationship is needed between banks and fintech firms," Hasan said.

Financial technology (fintech) is used to describe new tech that seeks to improve and automate the delivery and use of financial services. Internet should be offered to commoners at lower cost so that digital financial services widen, said Tina Jabeen, managing director of Startup Bangladesh, a government initiative working to create an accelerator and its accompanying ecosystem of entrepreneurs, investors, mentors, advisers.

The central bank should allow banks to store data in cloud beyond the border, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

He emphasised introducing a cash incentive to give a boost to DFS.

Pial Islam, a managing partner of pi Strategy, moderated the event.

Financial reporting lapses stem from FRC's lax approach: experts

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"We have to enhance our credibility and to do so, we can learn from other countries that have successfully implemented financial reporting regulations," Islam added.

Mohammad Mohiuddin Ahmed, executive director of Financial Report Monitoring Division, presented a keynote paper during the event.

Good financial reports will make the country's businesses comparable to their global counterparts, ensure higher ethical values and boost investor confidence, he said.

If the international accounting standard (IAS) or international financial reporting standard (IFRS) are not met, financial reports from local companies will not be accepted either domestically or internationally, the DCCI said in a statement.

According to M Anwarul Karim, executive director of the FRC's Standard Setting Division, the organisation was working to enhance financial reporting standards by conducting numerous outreach programmes and training sessions.

Karim also said if any business feels that meeting the IFRS was too complicated for them, they could hire a consultant or outsource the job entirely.

Javed Siddiqui, associate professor of the University of Manchester, said the FRC has been given tremendous authority and therefore, should act to maintain a transparent financial reporting system among auditors.

The key factors to preparing a credible audit report acceptable both locally and internationally are efficient corporate governance and a positive attitude of the company's management, he added.